



**SALE OF RED SANDERS WOOD
(*PTEROCARPUS SANTALINUS*)**

GLOBAL E-TENDER- CUM – E-AUCTION

INFORMATION FOR THE PROSPECTIVE BIDDERS

**DEPARTMENT OF ENVIROMENT AND FORESTS
GOVERNMENT OF ANDHRA PRADESH**

SALE OF RED SANDERS WOOD

Conservation and Sustainable Management of Red Sanders

Andhra Pradesh is a South Indian State with rich biodiversity and vibrant economy. Forests extend over 36,915 Sq. Km out of state's geographical area of 160,200 Sq. Km. These forests spread over the Eastern Ghats in the Godavari, Krishna and Penna River basins in the Nallamala, Veligonda hills and Sheshachalam plateau. The state is rich in biodiversity with a number of unique and endemic species like Red Sanders (*Pterocarpus santalinus*), *Shorea tumbergiaia*, *Shorea talura*, *Cycas beddomei*, Jerdon's Courser, Golden Gecko etc.,

The state boasts of a rich cultural heritage and is an important destination for the followers of Hinduism and Buddhism. The famous Chinese traveller Huen Tsang spent considerable time in documenting the rich heritage of the state. The long coastline of 974 Km in the state, the upcoming capital city of Amaravati, and a number of emerging Industrial hubs provide rich opportunities for collaborations in trade and investments.

Red Sanders (*Pterocarpus santalinus*) is endemic to the forests of Seshachalam, Veligonda, Lankamala and Palakonda hill ranges of Andhra Pradesh, India. Red Sanders is distributed in the districts of Kadapa, Chittoor, Nellore, Prakasham and Kurnool. Red Sanders wood is one of the highly priced woods in the world. It is comparatively heavy with specific gravity of 1.28 and is sold by weight. It has pleasing colour, beautiful grains and high lustre, due to which it is used for ornamental carvings. Its timber is used in preparation of musical instruments in Japan viz., "Shamosin".

Red sanders was included in Appendix – II of Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in the year 1995. It is also included in the International Union for Conservation of Nature (I.U.C.N.)

list of endangered species in the year 1997. Export of Red Sanders wood is regulated in view of CITES regulations and EXIM Policy of Government of India.

Considering its endemic nature of distribution and unique and niche market, there is heavy pressure on the Red sanders bearing forests in Andhra Pradesh. A number of initiatives have been taken by the Government of Andhra Pradesh to curb illegal logging and smuggling Red sanders wood. These measures include:

1. Establishing Base camps: Base camps with 4 to 6 tribal watchers have been established in interior forests of vulnerable areas to prevent felling of Red Sanders trees. These camps are in interior but strategic location to keep a vigil over any illegal activity in Red sanders forests.
2. Setting up strike forces and boat parties: Strike Forces have been constituted for patrolling in vulnerable areas. These are strategically located in headquarters of vulnerable forest ranges to provide additional manpower as and when needed. Boat parties are also set to ensure patrolling in the backwaters of Somasila reservoir to ensure river patrolling.
3. Strengthening Check posts: Check posts are established on vulnerable routes that are likely to be used for illegal transportation of Red sanders wood.
4. E Surveillance: On a pilot basis e Surveillance using CCTV Cameras has been taken up in 19 strategic locations. The video streams captured are analysed in a remote location and alerts are sent and quick response teams are deployed to take immediate necessary action.

5. Joint patrolling by Forest and Police personnel: A task force manned jointly by Forest and Police personnel has been established in Tirupathi headed by an Officer of the rank of Deputy Inspector General of Police with armed constabulary and civil police for systematic investigation and commando operations.

6. Strengthening legal framework to deal with Red sanders offences: The Andhra Pradesh Forest Act 1967 has been amended to ensure stringent punishment and making Red sanders offences non-bailable.

These measures have given encouraging results in that illegal logging has come down substantially. But these efforts need to be sustained and improved since smugglers try to outsmart Government initiatives in one way or the other. The objective of the present mission is to explore possibilities of collaborating with the Government of China and Chinese entrepreneurs in trade and investments for value addition and marketing of Red Sanders.

Information for the Prospective Bidders
(Frequently Asked Questions) (FAQs)

1:- Red Sanders (*Pterocarpus santalinus*) – A Brief

- a) Red Sanders (*Pterocarpus santalinus*) is exclusively endemic to the forests located in the southern parts of Andhra Pradesh State in India spread over an area of about 500,000 Ha.
- b) Red Sanders is a plant species with its heart wood in Red colour, which is valued for its colour and grain pattern and most revered in China, where it is called '*Zitan*'/ 葉紫檀.
- c) It is very hard, durable (does not develop cracks) and known for its decorative furniture, particularly in China and musical instruments (*Shamosin*) in Japan.

2:- Red Sanders – Legal Status

- a) Andhra Pradesh is the natural habitat of Red Sanders. Export of Red Sanders Wood (RSW) is governed by the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES).
- b) Export to Countries who are the signatories to CITES, is permitted subject to the quota fixed for the exporting country. All the required permits will be arranged by Government of Andhra Pradesh.
- c) The Government of India has issued a notification permitting export of RS Wood in log form or in value added form.

3:- Sale of Red Sanders Wood – Authorized Sellers

- a) Red Sanders Wood cannot be sold by anyone or any agency other than the institutions of Government of India (Federal Government of the Union of India) or the State Governments of the Union of India.
- b) The Government of Andhra Pradesh, which is State Government in the Union of India, has the authority to sell RSW in log form for export purpose.
- c) The Government of Andhra Pradesh has nominated its Forest Department (Andhra Pradesh Forest Department or APFD) as OWNER of Red Sanders Wood; and Andhra Pradesh Forest Development Corporation (APFDC) as SELLER of Red Sanders Wood.
- d) APFDC provides end-to-end management services related to the sale of Red Sanders Wood, which includes electronic auction, obtaining all necessary clearances from all the concerned authorities and delivery from the ports of Andhra Pradesh.

4: Notification for Sale of Red Sanders Wood

- a) The Government of Andhra Pradesh has authorized APFDC to conduct sale of 2,800 Metric Tonnes (MTs) of Red Sanders Wood on its behalf.
- b) Accordingly, APFDC has notified the sale of 104 Lots having a quantity of 2,800 Metric Tonnes of Red Sanders Wood in Log form through e-auction platform of MSTC.
- c) All relevant documents related to RSW sale are published on the website of APFDC(<http://www.apfdcl.com>); Andhra Pradesh Forest Department

(<http://forests.ap.gov.in>);MSTC (<http://mstcecommerce.com>); Indian Embassy in China (<http://www.indianembassy.org.cn>). Periodic updates on the sale are also published in the above websites from time to time.

- d) The RSW auction is being conducted through International Competitive Bidding through absolutely transparent, fair and equal opportunity process.
- e) Sale of Red Sanders Wood will commence at 10.00 AM (Indian Standard Time - IST) on 19 (Monday), next on 21 (Wednesday), and finally on 23 (Friday) December, 2016 (3 days).
- f) Lots for sale on December 19, 2016 will include: A Grade (7 Lots) 146.78 MT; B Grade (18 Lots) 428.801 MT; C Grade (10 Lots) 362.423 MT; Total (35 Lots) 938.004 MTs
- g) Lots for sale on December 21, 2016: A Grade (7 Lots) 172.766 MT; B Grade (18 Lots) 392.818 MT; C Grade (9 Lots) 359.316 MT; Total (34 Lots) 924.900 MTs
- h) Lots for sale on December 23, 2016 include: A Grade (9 Lots) 137.910 MT; B Grade (12 Lots) 270.634 MT; C Grade (14 Lots) 528.579 MT; Total (35 Lots) 937.123 MTs
- i) Red Sanders lots remaining unsold will be again put to sale at 10.00 AM on 27th and 29th December 2016. Last remaining lots will be sold on at 10.00 AM on 3rd and 5th January, 2017.

5: Red Sanders Wood– Storage

- a) The Red Sanders Wood notified for sale is stored in a Depot located within the Central Warehousing Corporation (CWC) Godowns at Renigunta, which is about 10 minutes' drive from Tirupathi International Airport in

Andhra Pradesh, India and 3 hours drive from Chennai International Airport, Tamil Nadu, India.

- b) Tirupathi airport is connected by direct flights from Delhi, Hyderabad, Bengaluru, Visakhapatnam and Chennai.
- c) Interested buyers can contact Vice Chairman & Managing Director, APFDC through phones+91 40 23395750, Mobile No. +91 8008301601; e-mail ID: apfdc.vcmd@gmail.comfor organizing visit to the warehouse.
- d) The warehouse is having highly secured facilities with all safe guards for ensuring safe and scientific storage of RSW.

6: Grading of Red Sanders wood

A) The Andhra Pradesh Forest Department (APFD) has prescribed the following standards for classification of Red Sanders logs:

- i. All the logs are dressed neatly upto heartwood.
- ii. Logs are cut to ensure that are as straight as possible.
- iii. Minimum length of log is 75 Centimeters (cms).
- iv. Mid-Girth of the log is 36 cms or above.

B) The RS logs are graded into A, B & C based on straightness and soundness as stated below:

- i. A Grade: Sound or nearly sound logs with apertures not more than 5% of log length.
- ii. B Grade:Semi-sound logs with apertures upto 20% of log length and having slight bends.

- iii. C Grade: Semi-sound logs with bends and having apertures more than 20% of log length.

7:- Legal Status of Andhra Pradesh Forest Department (APFD), Andhra Pradesh Forest Development Corporation Limited (APFDC), MSTC Limited:

Andhra Pradesh Forest Department is the Department of Andhra Pradesh Government and has the legal authority required for protection, promotion and conservation of all forest resources spread over an area of 10 million acres. The APFDC is a wholly owned Enterprise of the State Government of Andhra Pradesh. The MSTC Ltd., the e-auctioning platform, is a Government of India Organization.

8: Roles and Responsibilities of APFD, APFDC and MSTC

- a) APFD is the OWNER of the Red Sanders Wood being sold. The 2,800 MTs of RSW being auctioned is under the custody of AP Forest Department.
- b) APFDC is the SELLER of the Red Sanders Wood on behalf of Government of Andhra Pradesh. APFDC is also the Facilitator and Exporter of RSW.
- c) MSTC is the agent of seller to conduct the global sale using its e-tender cum e-auction platform (Electronic sale using its Servers, Proprietary Software and Internet).

9: Contact details of APFDC, APFD and MSTC

AP Forest Development Corporation limited:

Name of Contact Person: Mr. P.K. SARANGIIFS.,
Contact No: +91 40 23395750, Mobile No. +91 8008301601,
e-mail ID: apfdc.vcmd@gmail.com

Postal address:

O/o Vice Chairman & Managing Director,
APFDC Ltd., 6th Floor,
Aranya Bhavan,
Hyderabad – 500 004, Telangana State, India.

Andhra Pradesh Forest Department, Guntur:

Name of Contact Person: Sri R G Kalaghatgi, IFS
Principal Chief Conservator of Forests & Head of Forest Force
Contact No: 9440810001
e-mail ID: apccfprodapfd@ap.gov.in

Postal address:

Aranya Bhavan, Sankurathri Residency, EVR Gardens, MG Inner Ring
Road, Agathavarappadu, Peddakakani Mandal, Guntur-522509, Andhra
Pradesh, India

MSTC Limited, Visakhapatnam:

Sri Sopan Gabhane, Branch Manager,
Mobile No. +919967066934, +91891-2546166;
e-mail: sopan@mstcindia.co.in
Office address of M/s. MSTC Ltd.:
6th Floor "Jeevan Prakash" LIC Building,
Jeevitha Bima Road,
Visakhapatnam - 530004
Fax: +91 891- 274 6948,E-mail: mstcvzg@mstcindia.co.in

10: Inspection of Red sanders Lots before sale

Any interested bidder may request in writing or send an e-mail to the Vice-Chairman and Managing Director (VC and MD) of APFDC at: apfdc.vcmd@gmail.com requesting for physical inspection of the Lots. The VC and MD of APFDC will organise a conducted a tour of the Lots that are being auctioned. The video clips of the lots can be seen on the websites of APFDC and APFD.

11: Procedure for Participation in the Sale and Bidding process

- a) Only Firms / Companies / Corporations registered with the Sub Agent of the Seller, MSTC, are permitted to participate in this sale. Interested Bidders have to register with the MSTC via its web site: <http://mstcecommerce.com>. The registration has to be done well in advance.
- b) While registering, the potential Bidder must click “AGREE” on the General Terms and Conditions (GTC) of the sale web page and Buyer Specific Terms and Conditions (BSTC) of the sale web page and enter their personal details.
- c) Bidders, who are already registered with MSTC, need not register again.

12: Earnest Money Deposit (EMD)

- a) All prospective Bidders have to pay USD 500,000 (five hundred thousand US Dollars), as Earnest Money Deposit (EMD) to the Andhra Pradesh Forest Development Corporation (APFDC) to be eligible for participation in the first cycle of the bidding process to be held on December 19, 21 and 23, 2016. The firms / companies registered in India

and have operations limited to the territories of India (Indian Bidder) have the option to pay INR 35,000,000 (thirty five million Indian Rupees) as EMD.

- b) Payment of EMD is essential pre-requisite to participate in sale for any or all the lots on one or all the three days on December 19, December 21, and December 23 of 2016.
- c) The EMD for the second and third auction to be held on December 27 and 29, 2016 and January 3 and 5, 2017, respectively would be USD 400,000 (Four Hundred Thousand US Dollars) for foreign firms and INR 30,000,000 (Thirty Million Indian Rupees) for firms / companies registered in India and have operations limited to the territories of Indian Union, for each auction session. The EMD would have to be paid separately for the second and third auction sessions.
- d) The Earnest Money Deposit (EMD) should be credited to the APFDC account not less than one working day before commencement of sale (e.g. for 1st Auction the credit/value date is dt.16-12-2016). EMD payment may be either by direct remittance or online transfer through SWIFT to the following account held by the APFDC:-

Name of the Customer	: AP Forest Development Corporation ltd
Name of the Account	: Red Sanders Sale
Account Number	: 0798241000001
SWIFT CODE	: CNRBINBBHFD
BANK NAME	: CANARA BANK
BANK ADDRESS	: MASAB TANK, HYDERABAD, INDIA

(All remittances Request through SWIFT should be in the following format (Please Remit -USD to CANARA BANK INTERNATIONAL DIVISION, MUMBAI, ACCOUNT NO. 001-1395969 with JP MORGAN CHASE BANK, NEW YORK NY SWIFT CODE CHASUS33 ABA ROUTING NO 021 000 021 for further credit to AP FOREST DEVELOPMENT CORPORATION LIMITED Account no.

0798241000001 with CANARA BANK, MASAB TANK BRANCH, HYDERABAD, INDIA, SWIFT CODE CNRBINBBHFD (IFSC CNRB0000798)

- e) EMD payment by firms registered within India may be either by direct remittance or online transfer through RTGS/NEFT to the following account held by the APFDC:-

Name of the Customer	: AP Forest Development Corporation ltd
Name of the Account	: Red Sanders Sale
Account Number	: 0798201000610
IFSC CODE	: CNRB0000798
BANK NAME	: CANARA BANK
BANK ADDRESS	: MASAB TANK, HYDERABAD, INDIA

13: The Management of EMD

- a) The EMD deposit of unsuccessful bidders will be refunded. In case of refund of EMD by RTGS/SWIFT, the commission and bank transfer charges etc. will be borne by unsuccessful bidders.
- b) If a bidder defaults on payment of full or part sale value for all Lots for which confirmation letter is issued by the Seller, the entire EMD of USD 5,00,000 / INR 35,000,000 will be forfeited. If the firm defaults on payment of full or part sale value for certain Lot or Lots for which confirmation letter is issued by the Seller, EMD of USD 50,000 / INR 3,500,000 for each Lot for which he has defaulted, will be forfeited.

14: Bidding Procedure

- a) Online bidding will be conducted only in the United States Dollars (USD), with each incremental bid will be USD 100 or its multiples.

- b) The bid value shall be the basic price of the material exclusive of all applicable taxes, levies, duties etc., per Metric Ton in United States Dollars (USD).
- c) The exchange rate with reference to Indian Rupees (INR) and US Dollar will be displayed on the auction floor for general information. However, the bidding will be in only USDollars. The bidders will quote for each Lot only in USD.
- d) Each Lot is a separate entity for bidding. Bidders have to bid separately for each Lot.
- e) E-Auction period will be of 6(six) hours duration (from 10.00 AM to 04.00 PM) as per Indian Standard Time, subject to automatic extension. If any valid bid is received in the last 15 minutes of the closing time, closing time will automatically extend by another 15 minutes, which gives adequate time and opportunity for others to revise their bids on that Lot. This process will continue and e-auction will close at a time when there no bid is placed for consecutive 15 minutes. The bidders can increase the bid amount by a minimum of 100 USD or its multiples per Metric Tonne during both regular and extended periods of e-auction.
- i. Bidder may participate in e-tendering or e-auction or both for each Lot by choosing appropriate option while offering bids. However, E-tender can be offered only once. The bidder can continue to participate in e-auction after submission of e-tender.
- f) Seller will not provide any computer terminal for bidders and it is the responsibility of the bidders to arrange the hardware and reliable internet connectivity for participation in e-tender/e-auction.

15: Participation in e-Tender

- a) To participate in e-tender, click on the link 'View Live Auctions'. A list of e-tenders running at that time will appear. Click on the e-tender for the Lot you would want to bid. The e-tender form for bidding will appear with all details. At this time, you can type the amount of bid for the Lot and click on "BID" button to submit the bid. Once a bid is registered against a Lot, the "BID" button against that Lot will get disabled and you cannot bid for the same Lot again. However, you can continue to participate in e-auction for the same Lot.
- b) To view the bid, you may click on the link "Your Bid" and see the bid amount and bid date and time. E-tender opening time & closing time, mentioned in the e-auction catalogue is Indian Standard Time (IST) only. The time for submission of e-tender will not be extended and will close at 4:00 pm IST.

16: Participation in e-Auction

To participate in e-Auction, the Bidder should choose Auction as mode of bidding. Again, two links – 'View Live Auctions' (showing current events) and 'View Forthcoming Auctions' (showing events due to come in future) will appear. Click on 'View Live Auctions'. All the running e-Auctions will be listed. Click on the e-Auction where you would like to participate. The auction floor will open up with relevant details. Bidding is to be done in e-auction for each Lot.

17: Submission of Bid

- a) The Bidder shall be solely responsible for all consequences arising out of the bid submitted by him / her. Therefore, you must carefully check the Bid

Amount/ Number of '0's/ No. of Digits/ Unit of Measurement etc., and rectify the bid, if required, before submitting your Bid on the live e- auction floor by clicking the 'Bid' Button. There is no provision for bidding in decimals.

- b) During Live e-auction, only brief Lot details will be shown under the 'Lot Name' on the e-auction Floor. The complete 'Item Details' can be seen by clicking on the respective Item hyperlinked under Lot Name.
- c) Each Lot will be bid, sold and delivered on the basis of Unit of Measurement (UOM) as Metric tonne (MT) stipulated in the Material List displayed on the e-auction Floor of 'View Live e-auctions'.
- d) For detailed Procedure and Guidelines for Registration and Bidding for bidders, please refer Annexure B.

18: Results of Sale

- a) It must be personally seen by the Bidders online through the link "E-Auction Lot Status" immediately after closing of e-auction, which will be displayed up to 7 (Seven) days from the date of closing of e-auction(excluding the date of closing of e-auction).
- b) After closing of e-Tender cum e-Auction, the highest valid bid secured among the e-Tender cum e-Auction for each lot will be considered to determine the highest bidder for that lot.
- c) The H1 Bid for each Lot will be announced within 24 hours of closure of e-auction for that Lot. This information, however, shall not be considered as confirmation of Sale or acceptance of the Bid. Acceptance Letter confirming the sale will be communicated within a week of completion of

auction.

- d) The successful bidders shall not transfer the offer awarded to him / her to others and no sub-contract is allowed. It is to be noted that “No payment by any third party on behalf of the successful bidder/bidders shall be accepted”.

20: Payment of Sale Value

The schedule for payment is as follows:

- a) 25% of the total sale amount shall be paid within 10 days of confirmation.
- b) The successful bidder shall pay 25% of total sale amount either by direct remittance or online transfer through NEFT / RTGS / SWIFT.
- c) Security Deposit equal to 2% of the Full Sale Value (FSV) as Performance Guarantee in case the buyer intends to remit the balance 75% through online transfer and 5% of the Full Sale Value as performance guarantee in case of the Buyer is exporting the material and therefore provide a confirmed and irrevocable Letter of Credit (LC) payable at sight for the balance 75%. Both these shall be paid/furnished within 30 days of issue of confirmation order. The security deposit can also be paid in the form of a Bank Guarantee from any Nationalized Bank of India.
- d) Payment through Letter of Credit issued by a Foreign Bank will be accepted only if it is accepted by any of the scheduled commercial Banks of India.
- e) The buyers importing the material have the option to make payment fully/partly through Confirmed & Irrevocable Letter of Credit (LC) payable

at Sight to be established within 30 days of issue of confirmation order through any first-class International bank in favour of “The Andhra Pradesh Forest Development Corporation Ltd., Hyderabad, India” to be advised by any of the scheduled commercial banks in India. However, LC negotiation charges, interest and any other charges claimed by the banks shall be paid by the foreign buyer. Further, all charges including Customs House Agents (CHA) charges, Loading, Transport and Unloading charges from CWC Renigunta depot to Krishnapatnam or Visakhapatnam Port and shipment, insurance and other charges from Krishnapatnam or Visakhapatnam Port to any other foreign ports have to be borne by the Buyer.

- f) All payments through direct remittance or online transfer shall be to the following account of the APFDC Ltd.

Name of the Customer	: AP Forest Development Corporation ltd
Name of the Account	: Red Sanders Sale
Account Number	: 0798201000610
IFSC CODE	: CNRB0000798
SWIFT Code	: CNRBINBBHFD
BANK NAME	: CANARA BANK
BANK ADDRESS	: MASAB TANK, HYDERABAD, INDIA

(All remittances request through SWIFT should be in the following format (Please Remit -USD to CANARA BANK INTERNATIONAL DIVISION, MUMBAI, ACCOUNT NO. 001-1395969 with JP MORGAN CHASE BANK, NEW YORK NY SWIFT CODE CHASUS33 ABA ROUTING NO 021 000 021 for further credit to AP FOREST DEVELOPMENT CORPORATION LIMITED Account no. **0798201000610** with CANARA BANK, MASAB TANK BRANCH, HYDERABAD, INDIA, SWIFT CODE CNRBINBBHFD (IFSC CNRB0000798)

- g) In case the highest bidder fails to fulfil the condition, the EMD amount paid by him shall be forfeited to the Seller and he shall not have any right

whatsoever on the e-auction Lot or Lots for which he was declared the highest bidder and the e-auction Lot or Lots will be resold at his risk and the loss, if any, will be recovered under due process of law. He will not be entitled to claim any excess amount that may be realized on such re-sales.

21: Agreement of Sale

- a) The successful bidder, after payment of 25% sale value (within 10 days from the date of issue of confirmation order), shall enter into an Agreement with APFDC Ltd for the purpose of payment of balance sale amount, levies, taxes etc. The agreement has to be done on or before the payment of the balance sale value (i.e. within 30 days from the date of issue of confirmation order).
- b) After payment of the 25% full sale value of the Lot or Lots and after entering into Agreement, APFDC will obtain the Certificate of Origin for the Lots along with the Export license. The Buyer shall specifically mention in his Letter of Acceptance of Sale whether he intends to utilise the services of Customs House Agent (CHA) of the APFDC on payment or he will arrange his own CHA.
- c) The Buyer shall obtain clearance from the National Bio Diversity Authority (NBA) by way of entering into an Agreement with NBA and furnish a copy of the same to APFDC within 15 days from the date of receipt of export license.
- d) The balance (75%) sale value shall be paid within 30 days from the date of issue of confirmation order.
- e) In case of delay, the successful bidder will be allowed to make the payment within a maximum additional period of 30 days with interest @18% per

annum on balance sale value remaining unpaid commencing from the 31st day from the date of issue of confirmation letter subject to payment of interest amount along with the 75% sale amount.

- f) 18% interest per annum has to be paid by the Buyer for the period from the 31st day of issue of confirmation order till the date of realisation of the value of the Letter of Credit by APFDC. The same interest will be recouped from the Security Deposit, if not paid before delivery.
- g) For the purpose of interest calculation 1 to 15 days will be treated as half month and 16 to 30 days will be treated as one month. In case the Buyer failing to make the payment as above, their 25% of the sale value including EMD will automatically stand forfeited to the Seller.
- h) Further extension of time will not be allowed. After payment of total bid amount including taxes and duties within the stipulated time, the e-auction Lot will be delivered to the successful bidders.

22: Delivery of Consignment

- a) On receipt of 100% Sale Value (includes LC) including ABS Fees, taxes, levies and duties etc., the Seller will issue Delivery Order indicating the delivery period. For the Buyers who have chosen their own CHA, the maximum time for delivery is 45 days from the date of issue of export license or before the expiry of the export license whichever is earlier.
- b) For the Buyers who have chosen the CHA services empanelled by APFDC by paying the prescribed amount through online transfer within 30 days of issue of confirmation order, the responsibility for delivery lies with APFDC.

- c) For the purpose of taking delivery from the Stock holder's Location/Depot, the authorized representative of the Buyer should report to the Stock holder and take delivery of the material purchased by him. In case the buyer chooses his own CHA, he must take prior permission from the Stock holder before placement of vehicle for taking delivery of material.
- d) In case the Buyer opts for the APFDC services, he shall pay the expenses fixed by APFDC within 30 days from the issue of confirmation order. APFDC will get clearances from different Government Agencies (APFD, DGFT, MoEF, Customs, CITES etc.) and make arrangements for transport and delivery of goods at loading Port by engaging CHA/C&F Agents. The Buyer or his authorized representative shall have to certify the genuineness, quantity and quality of the lot at the time of delivery of the Lot from the depot and issue a "certificate of acknowledgement" to the stock holder.
- e) The Buyer, who has engaged his own CHA, has to lift the lots within 45 days from the issue of Export License by the Joint DGFT or before the expiry of the export license, whichever is earlier, else the buyer cannot have claim over the un-lifted material and the entire money paid will stand automatically forfeited including the EMD and all Post bid deposits.
- f) The goods after delivery period if left at stock holder site will remain at the sole risk and responsibility of the buyer. APFDC Ltd/ stock holder will not undertake any liability whatsoever for the safe custody, protection or preservation after the period of delivery of the lots, as put up for sale, subject to change by nature's wear and tear, exposure to atmospheric condition etc. No complaints regarding quality or mis-description for the material sold will be entertained once the delivery period is expired.
- g) Period of contract is up to the validity period of the Delivery Order

/Release Order/Contract issued by SELLER or up to the extended period of validity of the Delivery Order / Release Order in case the Delivery period is extended by the Seller at his sole discretion as the case may be. Export of all purchased material must be completed before April 30, 2017. There will be no extension beyond this period.

23: Payment of Taxes& Fees

- a) Access Benefit Sharing (ABS) fee of 5% of the full sale value has to be paid by the firms / companies not registered in India, to the National Biodiversity Authority (NBA), Chennai and an agreement has to be entered with NBA.
- b) All firms / companies registered in India and whose operations are limited to the territories of Indian Union have to pay 5% of the full sale value to the Andhra Pradesh State Biodiversity Board (APSBB) and enter into agreement with APSBB. If such a firm exports the RS wood, it would have to pay 5% of the difference of the declared export value and the purchased auction value to NBA and enter into agreement with NBA.
- c) Income tax has to be paid @2.6265% to 2.70375% (depending on the value of the lots) by the Firms registered overseas and @2.5% by those registered in India. However, the Foreign Firms can claim refund of the same from Income Tax department of Government of India by filing the IT return, once the lots are moved out of the Indian Territory.
- d) Value Added Tax (VAT) has to be paid @14.5% for sale within Andhra Pradesh, 2% Tax for Inter State transport within India and VAT prevailing in the state of final sale has to be paid.

- e) Value added Tax is exempted for the Red Sanders Wood exported out of India.

24:- Simplified Sale Procedure

- a) APFDC is the Seller instead of APFD.
- b) EMD is fixed as USD 500,000 / INR 35,000,000 for the first cycle of auctions that would enable the bidder to participate in all three days of the auction and bid for all or any of the Lots. The EMD for the next two cycles would be USD 400,000 / INR 30,000,000.
- c) Forfeiture of EMD in the event of default is USD 50,000 (INR 3,500,000) for each Lot subject to a maximum of USD 500,000 or 400,000 for the 1st and subsequent 2 auctions respectively.
- d) All payments by foreign firms will be in USD only. Online bidding will be only in USD for all bidders.
- e) Confirmed and Irrevocable Letter of Credit payable at sight can be accepted from the Buyers exporting the material for the balance 75% of full sale value in lieu of online currency remittances.
- f) Security Deposit (Performance Guarantee) of 2% of full sale value has to be furnished by the Buyers paying 75% of full sale value through online currency remittance. Those opting to pay the balance 75% of full sale value through Confirmed and Irrevocable Letter of Credit payable at sight have to pay 5% of Full Sale value as Security Deposit. The Security deposit can be paid through online currency remittances or by furnishing Bank Guarantee from any of the Nationalised Banks of India having a branch at Hyderabad or Vijayawada within 30 days of issue of

confirmation order. The Security Deposit and EMD will be returned after adjustment against all the pending dues from the Buyer and after the delivery of the lots, whichever is later.

- g) APFDC will engage a Customs House Agent (CHA) to get all clearances from Government Agencies and export the lots from Krishnapatnam / Visakhapatnam Port of Andhra Pradesh to the Foreign Port on payment of the cost to APFDC within 30 days of confirmation of sale.
- h) Delivery period for the buyer (who is making his own arrangement for export) is 45 days from issue of Export license or the validity of the Export License, whichever is earlier.
- i) Delivery to the buyer who has opted for APFDC facilitation, is the responsibility of APFDC.
- j) Percentage of reduction in the actual weight of the Lot compared to the notified weight (mentioned in Annexure-A) is revised to 3%.
- k) All payments including, EMD have to be made to the Canara Bank Accounts of APFDC.
- l) Pre bid meetings are being held in China and pre-sale inspections are being facilitated by the Government authorities.
